

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**PENSION COMMITTEE**

**WEDNESDAY, NOVEMBER 18, 2015**

**AT 3:00 P.M.**

**IN THE MARY BRENNAN BOARD ROOM**

**AT T. F. GREEN AIRPORT**

**2000 POST ROAD, WARWICK, RHODE ISLAND**

**The meeting of the Rhode Island Airport Corporation (“Corporation”) Pension Committee was called to order by Chair, Jon Savage at 3:06 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.**

**COMMITTEE MEMBERS PRESENT: Jon Savage, Chair of Committee and Kelly J. Fredericks, P.E., A.A.E., President and CEO.**

**COMMITTEE MEMBER ABSENT: Jeffrey Wiggin.**

**ALSO PRESENT: Sherri-Ann Penta, Human Resources Director; and those individuals listed on the attendance sheet attached hereto.**

**1. Approval of the Minutes:**

**A motion was made by Mr. Fredericks and seconded by Mr. Savage**

**to approve the Minutes of the Pension Committee Meeting of February 18, 2015.**

**The motion passed unanimously.**

## **2. Update by Plan Administrator.**

**Mr. Walter provided an overview of the target funds and account balances and asset classes. It was noted the asset class options are nicely spread out and that there is very little turnover of active participants in the plan.**

**There was discussion on the portfolio strategy website tool available through Principal. Ms. Penta noted the improvements to the website and the investment tools offered have been well received by the employees. There was additional discussion on participant's wellness scores and tools available for employees to adjust their investment allocations based on risk tolerance and retirement target date.**

**It was noted that the plan has grown significantly and a number of share classes have been changed resulting in Principal offering to return the savings. There was discussion on options for utilizing these savings: to either pay toward the administration of the plan or reduce costs to the individual participants. It was noted that current plan costs are paid from RIAC's General Purpose Funds. There was**

**additional discussion on plan contributions and industry standard retirement plans. Mr. Savage requested Mr. Walter provide a benchmark report on comparable plan. It was noted the plans will be gathered from state government and the airport industry to provide comparable not for profit industry plans. Mr. Savage requested a Pension Committee Meeting be scheduled to be held 30 minutes prior to the December Board of Director's Meeting to consider and approve an action to have plan savings pay for the administration of the RIAC Retirement Plan.**

### **3. Review of Plan Presented by Investment Advisors Hooker & Holcombe.**

**There was a detailed overview of RIAC's pension plan, including Third Quarter market highlights and updates. Investment option performance results and statistics were discussed and a handout was provided to the Committee. A detailed review on the assets and fund performances was discussed.**

**Mr. Meizner gave an in-depth performance review of several individual investment funds and their overall performance in the investment market. Mr. Meizner discussed sell offs and impacts to commodities. It was noted that energy and materials were down due to declined commodity prices while utilities generated dividends. There was additional discussion on decreased unemployment rates, anticipated increases to the interest rate and wage growth.**

**Mr. Meizner reviewed the allocation of assets in the plan and noted they are allocated well based on the age demographics. Mr. Meizer reported the investment advisor for Neuberger large growth will be leaving next month and recommended the investment be put on the watch list at the next meeting of the Pension Committee.**

#### **4. Action Item:**

##### **(a) Consideration of and Action Upon Selection of a Plan Investment Advisor.**

**Ms. Penta provided an overview and noted there were nine firms that responded to the Request for Proposal and the Selection Committee met and independently ranked the firms based on various relevant selection criteria. Hooker and Holcombe, the incumbent, was ranked first in all rankings. It was noted the Hooker and Holcombe was the low bidder and the contract was further negotiated down. The recommendation is that that the Committee authorizes the President and CEO, or his designee, to execute a Contract with Hooker and Holcomb in the amount of \$20,600 for pension plan investment advisor services, subject to Board approval.**

**A motion was made by Mr. Fredericks and seconded by Mr. Savage to approve the following resolution:**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) on August 11, 2015 for Pension Consulting Services and conducted a selection process pursuant to RIAC's Procurement Rules; and**

**WHEREAS, a Selection Committee comprised of: Jeffery Goulart, Assistant Vice President Financial Administration; Sherri-Ann Penta, Vice President Human Resources; Jeffery Wiggin, Union Pension Committee Representative and Nicole Williams, Chief Financial Officer, was formed to evaluate the responses to the RFP; and**

**WHEREAS, the Selection Committee received nine proposals and unanimously recommends entering into a Professional Services Agreement with Hooker & Holcombe in the amount of \$20,600 to provide Pension Consulting Services for a one year period with two, one year renewal options at the sole discretion of RIAC; and**

**WHEREAS, the Pension Committee agrees with the recommendation of the Selection Committee; and**

**WHEREAS, the proposed Fiscal Year 2016 Operating and Maintenance (O&M) Budget will include \$20,000 for these services.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to**

**execute a Contract with Hooker and Holcomb in the amount of \$20,600 for pension plan investment advisor services, subject to Board approval.**

**The motion was passed unanimously.**

## **5. Future Meetings:**

**The next meeting will be held on Wednesday, December 16th, 2015, at 3:30 p.m. in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.**

## **6. Adjournment:**

**At approximately 3:52 p.m. a motion was made by Mr. Fredericks and seconded by Mr. Savage to adjourn the meeting. The motion was passed unanimously.**

**Respectfully submitted,**

**Jon Savage, Chair  
Pension Committee**

**Rhode Island Airport Corporation**

**ATTENDANCE SHEET**

**RHODE ISLAND AIRPORT CORPORATION**

**PENSION COMMITTEE MEETING**

**WEDNESDAY, NOVEMBER 18, 2015**

<b>NAME</b>	<b>AFFILIATION</b>
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**Peter Frazier    RIAC**

**Brian Schattle    RIAC**

**Liberty Luciano    RIAC**

**Arthur J. Meizner    Hooker & Holcomb**

**Robert Walter    Principal**

**Robert Geoff    New England Parking**